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UNCLAS SECTION 03 OF 16 TOKYO 005589

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WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION;
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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 12/17/07

* Missing Section 001 *

* Missing Section 002 *

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tax-reduction strategy; and records held by those who emigrated foreign countries and held by foreign nationals, who used to work in Japan.

In the case of 1), since the SIA cannot find where mistakes are in the records, it cannot analogize them, if it did so, the possibility would increase that the records would mix up with those of other pensioners. Regarding 2) and 4), unless pensioners and companies make requests, it will be difficult to identify and consolidate them. Regarding 3), no one would request.

The SIA cannot send pension records to the holders of 2.8 million pension accounts who are believed to have died, and to the holders of 5.1 million accounts, whose last names were changed. Although the SIA will call out to pensioners through local governments, whether it is effective is unknown since there are many people who don't

know about the survivor annuity system.

(2) Mainichi poll: 63 PERCENT approve of foreign workers with conditions attached

MAINICHI (Page 1) (Full)
December 17, 2007

A nationwide telephone-based opinion poll conducted by Mainichi Shimbun found that 63 PERCENT of pollees think it is all right to accept unskilled foreign workers. The government does not intend to allow simple laborers to work in Japan. However, more than half the respondents who work in areas which are experiencing a labor shortage approved accepting unskilled workers. However, 31 PERCENT are against the idea of accepting such workers for the reason of their having an adverse effect on the employment of Japanese. Many are cautious about a policy change.

Japan has adopted a policy of practically not accepting unskilled workers, based on the Sixth Employment Measures Basic Program, adopted at a cabinet meeting in June, 1988, which notes that specialist and technical workers can be accepted, but the acceptance of simple workers (who do unskilled work) needs to be addressed in a cautious manner.

To a question on this government policy, 58 PERCENT of pollees who work in areas with a labor shortage approved of the acceptance of unskilled workers. However, only 5 PERCENT replied that such workers should be accepted without attaching any conditions. On the other hand, 31 PERCENT replied that such workers must not be accepted as it is the case now.

As reasons that unskilled workers should not be accepted, the largest ratio of 51 PERCENT said, "Accepting such workers will have an adverse effect on the employment of Japanese and the labor environment," followed by 35 PERCENT, who replied, "Public security will deteriorate, 10 PERCENT, who noted, "Trouble stemming from differences in customs will occur," and 3 PERCENT, who said, "Social security and education costs will increase." Regarding a question on who should shoulder foreign workers' social security and education costs, 38 PERCENT of respondents gave, "employers." Another 38 PERCENT gave "industries that need foreign workers." "Foreign workers" and "the entire people" were respectively cited by 11 PERCENT.

Consolidating system is pressing need

* Missing Section 004 *

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preferred choice for the country's next-generation mainstay combat jet.

Investigative authorities leaned toward a severe step, thinking that it was grave that an MSDF officer leaked the information that could have fell in the hands of other countries, harming Japan-US relations. Law enforcement arrested Matsuuchi on Dec. 13, concluding that his action taking advantage of his position that has access to special defense secrets under the Law Concerning the Protection of Secrets for the Japan-U.S. Mutual Defense Assistance Agreement led

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to the widespread dissemination of the information among unauthorized MSDF personnel.

Matsuura's awareness of defense secrets weak, actively attending study sessions

Although Matsuura belonged to the programming unit, he was responsible for the domestically-produced destroyer system and was not in a position to directly handle the Aegis data provided by the United States. How could Matsuura get hold of Aegis information?

Japanese-made destroyers take joint action with Aegis-equipped vessels and perform duties, such as escorting cargo ships, in collaboration with them. In the early 1990s, a senior officer ordered developing a new domestic system transcending the Aegis system. For cooperation between the domestically-made destroyers and Aegis vessels, officers responsible for the system needed to know the state-of-the-art Aegis system inside out. Looking back at those days, an official used to be responsible for the system said: "We worked until night on our regular shift and attended study sessions from midnight to morning. We worked like crazy."

Matsuura joined the section in 2001. As a young promising officer, he made extra efforts to acquire knowledge of the Aegis system, attending a workshop in the United States as well.

Their daily access to Aegis information has weakened the organizational awareness of handling special secrets. Special defense secrets were kept on a computer shared by the officers responsible for the domestic destroys instead of security storage.

Such mentality seems to be at work behind Matsuura's provision of the Aegis data to a First Service School instructor, also a lieutenant commander. A former senior officer said regrettably: "Preoccupied with absorbing new knowledge and developing a new system, we could not think of information security."

Ban on keeping business data on personal computers failed to bear fruit

The latest incident was preceded by the upload of information to the Internet via file-sharing software by an official of MOD and the Self-Defense Forces, respectively. In April this year, MOD and SDF compiled fundamental measures to prevent any recurrence and prohibiting the use at workplaces of personal computers and mobile large capacity storages, also introducing encrypted software and conducting spot inspections.

As part of this effort, the MSDF made its personnel declare and delete all business-related data stored on their personal computers. But the officers possessing the Aegis data made false declarations.

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If they had deleted the data as was ordered, the latest incident would not have come to light. This reveals the limits to a response based on the belief that human nature is fundamentally good and the difficulty in raising awareness throughout the organization, including the rank and file.

"It's ironical that their failure to delete the data exposed the sloppy data management system, giving an opportunity for a thorough review," a senior MSDF official noted.

A senior MSDF officer also took this view about the fact that Matsuura handed the Aegis data to the First Service School chief instructor at the request of his request: "At the SDF, it has been a tradition that when a junior member is asked by a senior officer for something, he has to comply with it. But such nature must be reexamined."

The Defense Ministry Reform Council made up of experts held its inaugural meeting at the Prime Minister's Official Residence (Kantei) earlier this month, in which the establishment of a sound information security system was mentioned as a must. The council is being challenged to come up with effective countermeasures, including the improvement of hardware.

Establishing a system that does not leak defense secrets essential

A senior investigator who lead the case said: "Japan is being tested if it is trustworthy as a security partner, and we looked for a conclusion that can convince the United States." Although investigators arrested the lieutenant commander for leaking information, they did not conduct a criminal investigation into other MSDF officers who had also been involved in the information

leakage, concluding that they did not have any malicious intent. But the case has marred the country's credibility.

The senior investigator also said: "In a way, petty officers' eagerness to deepen their knowledge for defending the country ran wild." The ministry needs not only to increase the level of awareness of SDF personnel but also to build a system that does not leak defense secrets.

(4) Good chance to review everything in Defense Ministry: Shikata

SANKEI (Page 13) (Abridged)
December 13, 2007

Toshiyuki Shikata, professor at Teikyo University

Due to the Antiterrorism Special Measures Law's expiry, the Maritime Self-Defense Force was ordered to recall its squadron that was on a refueling mission in the scorching Indian Ocean for nearly six years. Japan has been inattentive to its defense policy. Now, Japan has exposed the vagueness that is a defect in its defense policy.

At the time, the matter was politically delicate, and the government needed to rush. That is why the government passed a special measures law. Since then, many years has passed. However, the government has yet to create a permanent law. Over the past three years, six defense ministers were replaced. Even if the cabinet is changed due to political developments, the foreign minister and the defense minister must not be changed so frequently.

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Politicians-whenver they open their mouths-say "civilian control". In the absence of politics, however, it is difficult to have defense bureaucrats become clearly aware of what it really means.

Foreign countries refer to "political leadership" when it comes to relations between their governments and militaries. This means that politics comes before military affairs. I don't know why, but this is called "civilian control" in Japan. So there are some people who misunderstand its meaning.

Then, some defense bureaucrats are thinking to themselves that civilian control is for bureaucrats in suits to control the Self-Defense Forces' personnel in uniforms. There are also some people who often see discord between the SDF's uniformed staff and the Defense Ministry's bureaucracy as a problem. In fact, the media only plays it up for fun.

The SDF's uniformed staff takes it as 'orderliness' in doing their jobs, and they are extremely coolheaded.

The SDF's uniformed staff officers are frequently transferred. Moreover, they are often away from Tokyo. They are busy with educational and training programs for the rank and file. Moreover, they are also busy with disaster relief operations and overseas missions. As it stands, they cannot afford to give explanations in detail to politicians.

Accordingly, it is only natural that the Defense Ministry's bureaucrats in suits liaise with politicians, get budgets, acquire equipment, improve facilities, maintain and manage them.

Taking the Moriya issue as an opportunity, the government launched a panel on Dec. 3 to reform the Defense Ministry. The government intends to carry out a drastic reform of the Defense Ministry for thoroughgoing civilian control, transparent procurement, and strict information security. The present cabinet has technocrats for the posts of chief cabinet secretary, foreign minister, and defense minister. The Defense Ministry has also reshuffled its personnel. The government therefore must not miss this timing for a reform of the Defense Ministry.

Those who passed the career-track examination for the national public service at the Defense Ministry go up the ladder of success without knowing anything about Japan's national defense on the

front. In order to eliminate its negative effects, the SDF's officer candidate schools can establish an experimental course for those young career-track bureaucrats. This can help the Defense Ministry's bureaucracy and the SDF's uniformed staff understand each other.

Furthermore, it is also important for the Defense Ministry to have its young bureaucrats experience SDF local recruiting offices and some SDF workplaces. The Defense Ministry currently contracts trading companies in order to procure equipment for the SDF. If the Defense Ministry is to do this job on its own, it will need human resources with expertise for collecting and analyzing information, negotiating with manufacturers, preparing data, and providing aftercare.

Overhauling the Defense Ministry's organization within its current personnel scheme will end up affecting SDF units on the front. If that is the case, the SDF's manning level, which is low even now, will further go down. It will be difficult for the SDF to train its

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members.

In addition, the retiring age of SDF personnel is younger than that of other government employees. The SDF continues its employment of some personnel after retirement only for areas where their knowledge and insight are needed. However, they are limited.

SDF personnel with a knowledge and insight of specific defense equipment are not useful in the private sector at all. SDF retirees, however, can find jobs with trading companies dealing in defense equipment. This is good not only for SDF retirees but also for trading companies. In addition, SDF retirees can also serve as advisors for civilian defense drills.

The bottom line is the government must keep an eye on collusive ties. At the same time, the government must consider how to bring its collaboration with the private sector to fruition.

It is easy to denounce this as "amakudari" (literally "descent from heaven"). However, the SDF's aging will progress after its early age limit is dropped. Of course, SDF personnel are also on the government's payroll as public servants. However, the SDF must not lower its manning level. I hope the panel will come up with good suggestions.

(5) Regulatory Reform Council: Second report puts emphasis on area directly related people's lives: Reform of child-care centers

MAINICHI (Page 2) (Full)
December 17, 2007

The government's Regulatory Reform Council (chaired by Nippon Yusen Kaisha Chairman Takao Kusakari) has completed its second report. The package of proposals [2] and reform of child-care centers with emphasis placed on areas directly related to people's lives and areas contributing to the revitalization of regional areas. The panel will submit the report to Prime Minister Yasuo Fukuda later in the month. The government will revise the three-year regulatory reform program in March next year, accordingly.

Regarding the medical services area, the report notes that a shortage of doctors should be addressed first. As part of such measures, it calls for an immediate revision of the role-sharing between nurses and doctors, including allowing nurses to administer simple medicines, a practice now prohibited without the presence of a doctor. However, regarding the blanket lifting of a ban on hospitals operating two different systems for medical bills -- one with medical insurance and the other without it, coordination with the Ministry of Health, Labor and Welfare has yet to be undertaken.

The package proposes that authorized child-care centers, to which municipalities allocate children to be admitted, adopt a direct contract system with users for improved services. The report also calls for a revision of admission standards so that children of part-timers can also be admitted.

The report attaches importance to the fact that when foreigners marry Japanese citizens, their names are not entered into the Basic Resident Register, causing harmful results in terms of taxation, etc. To address this problem, the report proposes the drafting of a basic initiative for a new registration system linked with

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foreigners' registration system within fiscal 2007 and the introduction of related laws to the regular Diet session in fiscal 2009.

Concerning the education area, the package calls for the description of world history appropriate for compulsory education on social studies provided at middle schools with the aim of cultivating an international viewpoint and a revision of Education Ministry guidelines to adopt an optional system for world history taught at high schools, replacing the current compulsory system.

Outline of second report by Regulatory Reform Council

1. Realize peace of mind and affluence: Expand medical services areas offered by nurses and midwives to reduce the burden of doctors. Introduce a direct contract method between authorized child-care centers and users. Ease standards for admission to child-care centers. Establish a school teacher-rating system by students and parents. Disseminate a school-choice system. Adopt a choice system for world history taught at high schools. Improved transparency of the school textbook screening process.

2. Improve vitality and livelihood in regional areas: Construct a database for information on farming land and forests. Ease the diversion regulation for effective use by regional areas of state-subsidized facilities. Ease the ratio of floor space to land space regarding factory sites.

3. Accelerate growth backed by strengthened international competitiveness: Speedier customs clearance procedures for imports and exports, based on a complete on-line system. Further expansion of capacity at Haneda and Narita Airports.

4. Realize equal opportunities: Clarify differences between dispatched workers and sub-contractors in order to prevent faked sub-contracts. Set up a new basic resident register system to be applied to foreign residents.

5. Reform government enterprises: Abolish, curtail or liberalize independent administrative agencies that receive a large amount of fiscal assistance from the state.

(6) Challenge for special investigators to probe the dark recesses of Japan-U.S. defense interests

SENTAKU (Pages 56-58) (Abridged)
December 2007

Deep relationship between the grand-alliance concept and the Yamada Yoko Corp.

Prior to the arrest former Administrative Vice Minister for Defense Takemasa Moriya for receiving bribes, the special investigation team of the Tokyo District Special Prosecutors Office on Nov. 9 entered the main office of Nihon Mirise, located near the Prime Minister's Official Residents, and on the 10th, they arrested its president, Motonobu Miyazaki, on embezzlement charges.

A source in the Tokyo District Prosecutor's office said:

"Upon sending over the papers charging Moriya for using his influence in the bidding war over the CX engine for the next generation transport aircraft, the special investigative unit is thinking of making Miyazaki and Moriya break their silence on what might be called a major state secret centered on the political world."

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The targets of the special investigators go beyond the alleged wining and dining of defense policy specialists in the Diet and the

clearing up of charges of their providing their good offices in return. Their main mission is the dirty tricks by vested interests tied to Japan-U.S. defense affairs.

"Ozawa seems to have brought the message to Fukuda that Kyuma cannot be helped." This was the rumor whispered about parts of the Liberal Democratic Party (LDP) following the Nov. 2 meeting between Fukuda and Ozawa: "Fukuda said that the Bush administration told him it was displeased with Ozawa's hard-lined stance toward the antiterrorism special measures law and prior to his visit to the U.S., he asked about Ozawa's intentions. At the time, the topic of the Yamada Corporation seems to have come up. There would be a deadlock if Kyuma were to be arrested, for it would come out that the scandal scheme was something that came out of the U.S. force realignment plan that the U.S. dreamed up as it pleased. If that were the case, the Japan-U.S. relationship would deteriorate. He said that the only way to put a lid on the scandal was to form a grand alliance."

USFJ realignment bid-rigging scheme by Japan, US political and business circles

What then is this scandalous scheme, Fukuda referred to?

We present here the testimony of related sources and material that has come into our hands. If we were to sum it all up, the story goes back to last year in September. At that time, a delegation of top executives from the Shaw Group, a large plant development company founded by retired military officers, came to Japan. They had prepared a plan that described in detail the USFJ realignment, which the Japanese government had not yet approved.

Although the large framework of the USFJ realignment was agreed on by the Japan-U.S. Security Consultative Committee (2-plus-2) on May last year, the Japanese government had promised to cough up 3 trillion yen, including footing the bill for the transfer of 8,000 U.S. Marines from Okinawa to Guam. This plan for paying for the construction of a U.S. base facility within the United States was attacked in the Diet by the opposition as "selling out our country."

A source in the Defense Ministry stated: "The Shaw Group is a company that backs the Bush administration. It earned its reputation for petroleum projects in Iraq after the war. In the project to relocate Marines to Guam, Bechtel, the world's largest construction company, and other firms have announced they wished to participate, so channels are being created between Japan and the U.S., and moves are going on behind the scenes to gain the advantage with their respective plans."

The Shaw Group executive team came to Japan only four months after the final realignment agreement had been reached. At the time, it was still unclear who would be in charge of sending out bids for contract orders or even how the Japanese side would fund the projects. The Shaw Group approached influential political and business figures. The U.S. military was categorized as the organization to put out the orders, and the Japanese side was presented with the difficult choice of the fiscal burden and making sure that Japanese and U.S. companies had their fair shares. The same source said: "In accordance with this request, the Japanese

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side began in secret to carefully consider the realignment plan as it was restated."

A set of those documents exists. On the flow chart on page one, the U.S. military is listed as the contracting source for the Guam relocation project, and a completely unknown Japanese company, ODC, K.K., is listed as the subcontractor. Under that are arrows pointing to three areas, civil engineering, housing, and construction. Under those categories, civil engineering was assigned to a top class general contractor headquartered in Tokyo; housing would be assigned to an Osaka-based home builder, one of Japan's best, and so forth.

A source in the Tokyo District Prosecutors Office noted: "The Defense Ministry held a briefing for companies interested in the realignment projects this August. This kind of international

bid-rigging was going on already a year before that. The special investigators have already confiscated documents from the related parties. We were surprised that the farcical realignment plan was already making its way about."

According to testimony and documents obtained, after the top executives of the Shaw Group came to Japan, the movements of Kyuma became extremely active. First, since there was strong resistance that the money for Japan's share would have to come out of the defense budget, he came up with the scheme of placing matters under the government's lead and creating a special account in the Japan Bank for International Cooperation (JBIC) for funding the project.

In addition, in order to camouflage that the project was being ordered by the U.S. military, a special-purpose enterprise (SPE) was established as an independent company. Here is where the funding from the JBIC would go, and capital would also be solicited from private-sector companies, the plan being to pool the money. The SPE was visibly placed under the control of such US firms as the Shaw Group.

A general construction company manager said: "Around that time, working behind the scenes on the Shaw Group's behalf were Japanese lobbyists who had hailed from the Finance Ministry. They were approaching large general contractors and the like saying, 'The government and big business leaders are on board, so we would like you to invest with peace of mind. If you do, you will receive a construction order from the U.S. military. But some of the general contractors were concerned this might be a new type of fraud.

However, the forming of a "council of government and ruling parties concerned with the review of the force structure of U.S. forces in Japan and the like," which had 19 names listed under it, including then Chief Cabinet Secretary Shiozaki at the top and then high-level government officials, as well as the three top executives of the Liberal Democratic Party and the New Komeito, it seemed clear that the government had given its seal of approval to the series of schemes.

The council held its first meeting last year on Dec. 15. It announced the drafting of a bill to promote realignment that would include a system of subsidies for local communities totaling 100 billion yen in order to promote realignment projects that were being resisted by protest movements among local residents. At the time, one of the council members, expecting a press conference by Kyuma, happily said, "In proposing the bill, we need to make a clear stance that the central government is handling the USFJ realignment. This

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will be a plus for the Japan-U.S. relationship."

A source in the Tokyo District Prosecutors Office said: "The one who was active in responding to the Shaw Group's request and did the spade work for creating the council was Kyuma." The scandal then developed as follows:

"I would like you to pay attention to the date of the announcement, Dec. 15. Ten days before, on the evening of the 5th, Kyuma secretly met with Shiozaki at an exclusive Japanese restaurant (fugu-ryouri) in Tokyo. Also present at the dinner meeting was Naoki Akiyama, the executive director of the Japan-U.S. Peace and Cultural Exchange Council, who served as the contact person for the two. At the time, there was suspicion that the secret information had been leaked that the Japanese government would agree to the realignment plan. In actuality, even though Miyazaki had just come up with his company Nihon Mirise, ODC, which was the subcontractor of the Shaw Group, signed a contract entrusting it with the work, and in late November, it began to circulate to companies as it pleased a plan that was born in America."

The special investigation unit indicated that it intended to ferret out from Moriya, who had intimate knowledge of the internal workings of the USFJ realignment, and Miyazaki, the way that Kyuma was maneuvering in the background.

Ozawa's true intention is to rescue Kyuma

Meanwhile, Ozawa from around the time of his meetings with Prime Minister Fukuda became sensitive to the trail the investigation was taking. The background of this stems from the time when Ozawa was LDP secretary general. At the time of the Gulf war, when Japan provided \$9 billion in financial assistance to the multinational force, the one who was running about working as his flunky was Kyuma. An LDP lawmaker observed: "During the Papa Bush administration, Ozawa built a close relationship with then Secretary of State George Shultz, who had been a top executive at Bechtel Corp. For that reason, Ozawa did not want to see the USFJ realignment agreement collapse. Indeed, he and Kyuma, who was close to the Shaw Group, were like two peas in a pod."

Regarding the financial aid (for the Gulf war), a number of allegations have been rumored linked to those around Ozawa, but the one who intensely knows the inside story is Kyuma. One lawmaker who came from the former Keiseikai faction (which Ozawa hailed from) said: "For Ozawa, the arrest of Kyuma would be inconvenient, indeed. In his desire to rescue Kyuma lies the real intention of holding off an investigation."

Even though they are from different parties now, Ozawa and Kyuma both back the giant American company. In the history of the splitting of the LDP, there is a dark unfathomable area. In order to understand what that entails, one has to probe deep into the meaning to each side of the term "grand alliance." The "don" of the defense policy clique (boei-zoku) in the LDP, Shin Kanemaru, was also Kyuma's and Ozawa's mentor (when they were young politicians). Kanemaru, along with Ryuzo Sejima and others, established the Japan Center for Strategic Research. It became a central spot for LDP defense policy specialists, uniformed officers from the Defense Agency, and defense industry executives could gather together. Ozawa eventually inherited the post of chairman. However, in 1993, Kanemaru was arrested for possession of improper assets, and the LDP

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then split apart. After that, Ozawa and his followers left the party and formed a coalition with (Prime Minister) Morihiro Hosokawa. After the collapse of the administration, the research center left the LDP.

At that point, the defense policy clique in the LDP linked up with Akiyama and his Japan-U.S. Cultural Promotion Society. Akiyama was formerly a flunky for Kanemaru, and he also served as a secretary to LDP lawmaker Tamisuke Watanuki (now head of the splinter party People's New Party). He was always a person who moved about in the background.

With the defense policy clique between split into ruling and opposition camps, Akiyama allowed them to come together by joining his society. National policy had to be reunified, was the view of the defense policy specialists. The DPJ's Seiji Maehara and even New Komeito lawmakers could join, making the defense specialists one group again. An LDP lawmaker noted: "Akiyama's group came to be known as an influential organization, even appointing to its board such American defense specialists as former Defense Secretary Cohen and former Deputy Secretary of State Armitage. Even Shinzo Abe and Yasuo Fukuda were added. Only Ozawa was left to be invited to join in. In other words, under the flag of the Japan-US security relationship, the defense specialists in the various parties could reorganize and unite."

Ozawa group and LDP defense policy clique would form a new party

At a meeting of the DPJ that called strongly for Moriya to be summoned as a sworn Diet witness, when it came to come up questions that would be posed to the witness, a member of the Ozawa group in the party - the Isshinkai - had two questions: ask him to tell the truth and a question that would benefit the party's interests and strategy. He warned that it would be dangerous to ask questions that went too far into the Yamada Corp. incident. The lawmakers in this group were surprised when the party members in their Diet questions probed into the political trail. That is when the idea of a grand alliance erupted, said one DPJ lawmaker.

However, the Upper House of the Diet has many DPJ members from the progressive wing, and they would not give up their pursuit (of the political trail). That is why on Dec. 15, Upper House lawmaker Keiichiro Asao elicited from Moriya the testimony that "Mr. Kyuma was at the dinner party with Mr. Akiyama." This was criticized by DPJ lawmakers in the Lower House as having gone too far. This is because if the Akiyama group is poked into, DPJ blood would be spilled. The anti-Ozawa group within the DPJ has given up on maintaining a two party system that could go in and out of alliances. The following concept has been hammered out:

"The pro-American Seiwakai members in the LDP (86 members, led by Chief Cabinet Secretary Machimura) and the former Takeshita faction members who now form the Ozawa group in the DPJ (Isshinkai group of 35 members) will merge to form a new LDP. The Kochikai or non-defense policy types in the LDP (51 members led by Makoto Koga) will merge with the anti-Ozawa group in the DPJ to form a new DPJ. (TN: Unclear how many this would be, since there are other groups like Seiji Maehara's 25 member one who could go either way.) These two groups will lead the political realignment."

The dilemma is that the more Kyuma and Akiyama are pursued on the defense scandals, the more the political distortion that exists will

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come out. This could become the driving force for political realignment in the near future.

The investigation into the Yamada Corp. since Moriya's arrest will first expose Moriya's interests. By that is meant the case of collusion among Moriya, the Naha Defense Facilities Administration Bureau chief, who was in his camp, lawmakers from the local area, and local businesses. They colluded to try to grab a monopoly on the relocation project.

Because Moriya had teamed up with lawmakers from the local area, invading Kyuma's Okinawa interests and rupturing the Kyuma-Moriya line, Kyuma's scheme will not lead to his arrest. The special investigators have formed a separate team to probe into Kyuma, and they are slowly getting to the inner core, but Chief Prosecutor Keichi Tadaki is not about to investigate political circles. Prime Minister Fukuda and Tadaki have had a long partnership relation since Fukuda was chief cabinet secretary and Tadaki was administrative vice minister of justice. His giving "political consideration" to the case is unavoidable. Although the head of the special investigation unit, Hiroyuki Yagi, has said he hopes to investigate the case, with his resignation in one hand, the reality is that treading on a political trail is a risky business.

(7) TOP HEADLINES

Asahi:

Abnormal change on earth: Island in Bangladesh moves 20 kilometers in 50 years due to torrential rains, floods, soil degradation, soil deposit

Mainichi:

Random shooting in Sasebo City: Gunman Magome had 2,700 bullets; Aimed to kill four of his friends?

Yomiuri:

Arrested lieutenant commander leads limit of Aegis destroyer leaked

Nikkei:

Raw material makers to manufacture high-performance products in China; Shift from export-oriented policy; New strategy to come with boosted demand

Sankei:

From mistrust in pension to mistrust in politics: Gap in premier's statement from public opinion

Tokyo Shimbun:

Public support rating for Fukuda cabinet dips to 35 PERCENT in nationwide telephone survey; 57 PERCENT see government resignation of overall settlement of pension issue as breach of policy pledge

Akahata:
Tracking daily workers dispatched by Goodwill: 1,000 people
transported by bus to workplaces

(8) EDITORIALS

Asahi:
(1) Proposal for hopeful society: Three pillars to maintain class-A
industrial clout; Livelihood-related services industry should be
made linchpin for strengthen people's defense; Assume offensive, by

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improving financial system, developing goods-making technology

Mainichi:
(1) Fiscal reconstruction by local governments: Residents should
strengthen vigilance for getting local finances healthy again
(2) Expanded funds supply is only emergency measure to deal with
Subprime loan fiasco

Yomiuri:
(1) Ruling parties' annual tax code revision guidelines: Talks with
opposition camp holds key to whether they are realized or not
(2) Bank of Japan "Tankan" short-term business survey report: What
will become of real economy following sZf9x("|Titis C
suit
(2) IHI marred investor confidence

Sankei:
(1) Seventy years since Massacre of Nanjing: Send message to correct
mistaken historical evidence
(2) Major league and drugs: Use pinch as opportunity

Tokyo Shimbun:
(1) Thoughts at beginning of week: Three excellent plans for
integration of Europe

Akahata:
(1) Measures on soaring crude oil prices: Effective measures to deal
with serious damage

(9) Prime Minister's schedule, December 14

NIKKEI (Page 2) (Full)
December 15, 2007

08:42
Chatted with New Komeito leader Ota in Diet building. Met with
Education Minister Tokai.

09:00
Attended cabinet meeting. Welfare Minister Masuzoe and Chief Cabinet
Secretary Machimura remained the office. Met again with Machimura.

SIPDIS

09:33
Met at Kantei with Vice Foreign Minister Yachi.

10:19
Met with Economic and Fiscal Policy Minister Ota, Assistant Deputy
Chief Cabinet Secretary Saka, Cabinet Office directors general
Fujioka and Matsuoka. Ota remained in the office.

10:59
Met with China-Japan Friendship Association Chairman Song Jian.

13:02
Attended Lower House plenary session.

14:49
Met at Kantei with Vice Defense Minister Masuda, followed by
Financial Services Agency Director General Sato and Planning and

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Coordination Bureau chief Mikuniya.

15:35

Met with Lower House member Taro Nakayama.

16:15

Interviewed by the cabinet's reporters' club. Met with Machimura.

17:25

Met with Administrative Reform Minister Watanabe. Attended Economic and Fiscal Policy Council meeting.

20:38

Videotaped TV talk show at TBS center in Akasaka.

21:52

Returned to his private residence in Ozawa.

Prime Minister's schedule, December 15

NIKKEI (Page 2) (Full)

December 16, 2007

Morning

Spent time at his private residence in Nozawa.

12:54

Met University of Tokyo Prof. Yoshikawa at Grand Prince Hotel Akasaka.

16:04

Toured "Eco Products 2007" at Tokyo Gig Site in Ariake, Tokyo.

17:15

Met with secretaries at Grand Prince Hotel Akasaka.

19:17

Returned to his private residence.

Prime Minister's schedule, December 16

NIKKEI (Page 2) (Full)

December 17, 2007

Spent the whole day at his private residence in Nozawa.

SCHIEFFER